

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE

(No Surface Use)

THIS LEASE AGREEMENT is made this 13th day of CUGITS t	, 2008, by and between
James A. Banks, a single Person	
whose addresss is 2527 Clearest Drive Fort Worth Teand, DALE PROPERTY SERVICES, L.L.C. 2100 Ross Avenue, Suite 1870 Dallas Texas 76201, as Lessee. All printed phereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Les 1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, lease described land, hereinafter called leased premises:	portions of this lease were prepared by the part asor and Lessee.
OUT OF THE GIGNORE OR LESS, BEING LOT(S) OUT OF THE GIGNOREST ADDITION FOR LOCKEST ADDITION ADDITION FOR LOCKEST ADDITION ADDITION FOR LOCKEST OF THE PLAT RECORDS OF	bLOCK <u>A</u> ON, AN ADDITION TO THE CITY OF THAT CERTAIN PLAT RECORDED TARRANT COUNTY, TEXAS.
in the County of Tairant, State of TEXAS, containing	ong with all hydrocarbon and non hydrocarbo ein includes helium, carbon dioxide and othe ers accretions and any small strips or parcels o consideration of the aforomentioned cash bonus scription of the land so covered. For the purpos
2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of FIVE as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premise	(5) years from the date hereof, and for each from lands pooled therewith or this lease in
otherwise maintained in effect pursuant to the provisions hereof. 3. Royallies on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as fo separated at Lessee's separator facilities, the royally shall be IDEANY-FIVE PERCEN+(35)—%) of such p Lessor at the wellinead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the the wellinead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, the prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances are severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketic Lessee shall have the continuing right to purchase such production at the prevailing wellnead market price paid for production no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to the same or nearest preceding date as the date on which Lessee commences its purchases hereunder, and (c) if at the end of more wells on the leased premises or lands pooled therewith are capable of either production linere from is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this le Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before ear while the well or wells are shut-in or production there from is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this le Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before ear while the well or wells are shut-in or production there from is not being sold by Lessee; provided that if this lease is otherwise is being sold by Lessee from another well or wells on the leased premises or lands pooled there	production, to be delivered at Lessee's option to a continuing right to purchase such production agen in the mearest field in which there is such a proportionate part of ad valorem taxes and ing such gas or other substances, provided that of similar quality in the same field (or if there is comparable purchase contracts entered into or of the primary term or any time thereafter one covered hereby in paying quantities or such well by Lessee, such well or wells shall nevertheles liays such well or wells are shut-in or productionase, such payment to be made to Lessor or to be a contracted and the payment of the end of said 90-day period being maintained by operations, or if production is be due until the end of the 90-day period next before the amount due, but shall not operate to
4. All shuth royally payments under his lease shall be paid or lendered to Lessor or to Lessor's credit in at lessor's be Lessor's depository agent for receiving payments or dendered in the ownership of said land. All payments or lenders to Lessor are to the depository by deposit in the US Mails in a stamped envelope address address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institute payment hereunder, Lessor shall, at Lessor's request, distiver to Lessee a proper recordable instrument naming another institute. 5. Except as provided for in Paragraph 3, above, if Lessoe drills a well which is incapable of producing in paying quantiles permises or lands pooled therewith, or if all production (whether or not in paying quantiles) permises from any pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lesse is nevertheless remain in force if Lessee commerces operations for reworking an existing well or for drilling an additional well on the lessed premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 or on the lessed premises or lands pooled therewith within 90 days after completion of perations on such dry hole or within 90 or operations reasonably calculated to obtain or restore production fronerior, this legas shall remain in force but Lessee is operations result in the production of oil or gas or other such there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capat Lessee shall drill such additional wells or the leased premises or lands pooled therewith as a reasonably prudent-operator would for a develop the leased premises as to formations then capable of producing in paying quantities on the leased premises eased premises from uncompensated drainage by any well for wells located on other lands not pooled therewith. There shall additional wells except as expressly	lers may be made in currency, or by check or bead to the depository or to the Lesson at the lastitution, or for any reason fail or refuse to acception as depository agent to receive payments, ities (hereinafter called "dry hole") on the leaser cause, including a revision of unit boundarie to otherwise being maintained in force it shalf for otherwise obtaining or restoring production days after such cessation of all production. If a hen engaged in drilling, reworking or any other or more of such operations are prosecuted with batances covered hereby, as long thereafter as ble of producing in paying quantities hereunder and drill under the same or similar circumstances or lands pooled therewith, or (b) to protect the be no coverant to drill exploratory wells or any often any other lands or interests, as to any or a cition, whenever Lessee deems it necessary of the respect to such other lands or interests. The present of a gas well or a creage toterance of 10%, and for a gas well or a performed for an oil well or gas well or horizontally having jurisdiction to do so. For the purpose governmental authority, or, if no definition is so well with an initial gas-oil ratio of 100,000 cubic lease separator facilities or equivalent testing on interval in the reservoir exceeds the vertical we unit and stating the effective date of pooling if be treated as if it wore production, drilling on proportion of the total unit production which the metal proportion of unit production is sold by accurring right but not the obligation to revise any conform to the well spacing or density pattern alternative are payable hereunder shall thereafter.
a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conv	

7. If Lessor owns less than the full influent estate in all or any part of the leased premises, the royalties and shut-in royalties payable herounder for any well on any part of the leased promises or lands pooled therewith shall be reduced to the proportion that Lesson's interest in such part of the leased premises bears to the full mineral estate in such part of the leased promises

The interest of either Lessor or Lessoe hereunder may be assigned, devised or otherwise transferred in whole or in part, by erea and/or by depth or zone, and the of the interest of either coset in Cosset in Cosset in the property of the parties hereinder shall extend to their respective here; devisees, executors, adminishators, successors and assigns. No change in Lessors ownership shall have the effect of reducing the rights or enlarging the obligations of Lessoe hereunder, and no change in ownership shall be binding on Lessoe until 60 days after Lessoe has been turnished the original or certified or duly authoritizated copies of the documents establishing such change of ownership to the satisfaction of Lessoe or until Lessor has satisfied the notification requirements contained in Lessoe's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessoe may pay or lender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shull in royalties hereunder, Lessen may pay or lender such abut in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessen transfers its Interest bereunder in whole or in part Lessee shall be retioved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferred to entirty such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transferr a full or undivided interest in all or any portion of the area covered by this lesse, the obligation to pay or tender shut-in royallies hereunder shall be divided between Lessee and the transferred in proportion to the net acreage interest in this lesse then held by each.

9. Lessoo may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releason all or an undivided interest in less than all of the erea covered hereby, Lessee's obligation to pay or tender shut-in reveilles shall be proportionately reduced in accordance with the net acreage interest retained herounder.

10. In exploiting for, developing, producing and metreting oil, ges and other substances covered hereby on the leased premises or lands peoled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or tensport production. Lessee may use in such operations, free of cost, any oil, gas, water aud/or other substances produced on the leased premises, except water from Lesson's wells or pends. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancitiary rights granted herein shall apply (a) to the entire leased promises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this leased, and (b) to any other lands in which Lesson now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lesson in

offer lands in which Lessor now or hereeffer has authority to grant auch rights in the vicinity of the leased premises or ended therewith. When requested by Lessor in willing, Lessoe shall buy its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 20tifeet from any house or barn now on the leased premises or other lands used by Lessoe hereunder, without Lessor's consent, and Losnee shall pay for damage caused by its operations to buildings and other improvements or other lands used by Lessoe hereunder, without Lessor's consent, and Losnee shall pay for damage caused by its operations to buildings and other improvements are premises or runch other lands, and to commercial (imber and growing crops thereon. Lessoe shall have fire right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a consonable time thereafter.

11. Lessoe's obligations under this losse, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including realrictions on the drilling and production of walls, and the price of oil, gas, and other substances covered hereby. When drilling, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by hability to obtain necessary permits, equipment, services, material, water, deciridly, fiel, access or ensements, or by fire, flood, adverse weather conditions, war, sobridge, rebellion, insurrection, riot, strike or labor disputes, or by hability to obtain a satisfactory market for production or failure of purchasers or carriers to take or framport such production, or by any other cause not reasonably within Lessoe's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be likely to production or other partity and programs or interest the price overance of the price of

14. For the same consideration recited above, I esser hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore essement under and through the lessed premises for the placement of well bores (along routes solected by Lossee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the lessed premises or lands pooled therewith and from which Lesser shall have no right to royally or other benefit. Such subsurface well bore essements shall run with the land and survive any termination of this lesse.

15. Lesser haleby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes,

mortgages or lions existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights, may reinforme itself out of any royalties or shuf-n mystiles otherwise payable to Lessor herounder. In the event Lessee is made aware of any claim inconsistent with Lessor's little, Lessee may suspend the payment of royalties and shuf-in royalties hereunder, without interest, until Lessee has been familiarled satisfactory evidence that such claim has been resolved.

Notwithstanding anything contained to the contrary in this lease, Lesses shall not have any rights to use the surface of the tensed premises for drilling or other

operations

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oit and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to after the terms of this transaction based upon any differing terms

which Lessee has or may negotiate with any other lessers/oil and gas owners.	is desir to direct the Estima in this framework those of their only three influence
IN WITNESS WHEREOF, this lease is executed to be effective as of the date first write theirs, devisees, executors, administrators, successors and assigns, whether or not this lea	on above, but upon execution shall be binding on the signatory and the signal base been executed by all parties bereinabove barned as Lesson.
LESSOR (WHETHER ONE OR MORE) By: James A. Brunks	By:
ACKNOWLEE	OGMENT.
STATE OF ICYCIS	
STATE OF TEXES COUNTY OF TELEFON + This instrument was acknowledged before me on the 14 ft day of day of the Danks A. Banks, a single Person	£1 (, 2008,
	ale sond a and
ALIXA-DIPE LINE	Notary Public, State of TEXC1S Notary's name (printed):
My Control of Yokas	Not _{ery} 's commission expires:
STATE OF	
COUNTY OF This instrument was acknowledged before me on theday of	, 2008.
by:	
FILED AS RECEVED	

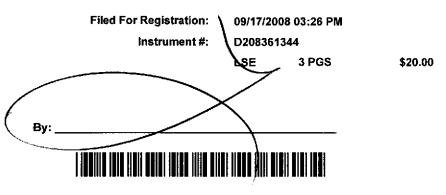


DALE PROPERTY SERVICES LLC ATTN: ANN VANDENBERG 2100 ROSS AVE, STE 1870, LB-9 DALLAS TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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